

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490

• (909) 387-5866 • FAX (909) 387-5871

E-MAIL: lafco@lafco.sbcounty.gov

www.sbclafco.org

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FROM: JAMES M. RODDY, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #3a and #3b: LAFCO #2896 and LAFCO #2902--
Service Reviews and Sphere of Influence Studies for the City of
Montclair and the Monte Vista Fire Protection District

INITIATING AGENCY:

Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO #2896 and LAFCO #2902 are statutorily exempt from environmental review, and direct the Clerk to file Notices of Exemption within five days;
2. Make findings related to a service review required by Government Code Section 56430 (service review factors), and determine that the sphere of influence for the City of Montclair should not be changed (LAFCO #2896);
3. Determine that none of the service review factors for the Monte Vista Fire Protection District are applicable since the District functions are provided by the City of Montclair, and determine that the sphere of influence of the Monte Vista Fire Protection District shall be coterminous with the sphere of the City of Montclair;
4. Initiate proceedings for the dissolution of the Monte Vista Fire Protection District and schedule those proceedings subsequent to the successful annexation of an unincorporated island to the City of Upland with the following findings required by Government Code Section 56881:

- a. Public service costs of such a proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service; and,
 - b. The proposed dissolution promotes public access and accountability for community services needs and financial resources.
5. Adopt LAFCO Resolution #2743 (City of Montclair) and LAFCO Resolution #2751 (Monte Vista Fire Protection District) setting forth the Commission's findings and determinations.

BACKGROUND INFORMATION:

These proposals were initiated by the Local Agency Formation Commission in response to new state mandates requiring service reviews and sphere of influence updates for all cities and special districts on a rotating five-year schedule. LAFCO #2896 is a service review and sphere of influence update for the City of Montclair. LAFCO #2902 is a service review and sphere of influence update for the Monte Vista Fire Protection District.

Attached for Commission review is the response from the City of Montclair to the factors required by Government Code Section 56430 for the conduct of service reviews. For the sake of brevity, those responses are not duplicated in this report, but are instead contained within the draft resolution (#2743) which is also attached for Commission review. The important points are that the City of Montclair is not proposing any changes to its sphere of influence (which has been in effect for more than thirty years), and none of the adjacent or overlaying agencies have identified any concerns with that long-established sphere. The reader is referred to the draft resolution and the written response from the City of Montclair for further discussion of the sphere/service review findings.

The Monte Vista Fire Protection District, however, requires a different response. The MVFPD overlays the unincorporated sphere of influence of the City of Montclair, in addition to a small unincorporated island of territory located within the City of Upland sphere of influence. The total District land area is approximately one and one-half square miles.

For at least the last twenty years, the District has contracted with the City of Montclair for fire protection and emergency medical response services. In essence, the contract requires the City to provide these services at a level commensurate with the level of services provided within the City. In

exchange, the City receives the property tax revenues that are generated by the District in the unincorporated area. Thus, the Monte Vista Fire Protection District is a “paper” district whose existence is not broadly recognized, particularly by the residents within the area.

As such, virtually all of the findings required by law for a service review of the Monte Vista Fire Protection District are not applicable or relevant in this case, because the District does not function except as a conduit for transfer of property tax revenues to the City (approximately \$231,448 in FY 01-02), and it does not provide any services. One finding that is relevant to this review, however, relates to “government structure options” as identified in Section 56430.

Terry Smith, Assistant Chief of the County Fire Department, notes in his response (which is attached for Commission review) that, “There is no indication that its [the District’s] revenue will ever support a fire station within the District, so it will always remain dependent on service from the current provider [the City of Montclair] or other nearby agencies.” The property tax revenue generated by the District is simply insufficient to fund the operation of a District station within the study area. It should also be noted that Chief Smith indicates that the District “is not contiguous with or operationally integrated with any other Board of Supervisors’-governed fire agencies.”

This indicates that the only readily available service option within the unincorporated Montclair sphere of influence is for the City to continue to provide fire protection and emergency medical response to the study area. Based on this finding, dissolution of the District, and the designation of the City of Montclair as the successor in interest to the District’s functions and share of property tax revenues seems to be a logical and reasonable outcome of the District’s service/sphere review.

Government Code Section 56375(a) authorizes the Commission to initiate dissolution proceedings if it makes findings that the proposal would result in service costs that are less than or substantially equal to available alternatives, and that the proposal would promote public access and local accountability. Staff submits that these findings can be readily made.

It should be noted that the District boundaries, which are almost entirely within the Montclair sphere of influence, also include a small unincorporated island of territory (roughly 10 acres) within the City of Upland sphere of influence. Staff has been advised that Upland is preparing the necessary paperwork for initiation of annexation proceedings for that

island, so it would make sense to process that application prior to consideration of any dissolution proceedings.

CONCLUSION:

The findings and factors of consideration contained within the attached draft resolutions support affirmation of the City of Montclair sphere of influence, and staff wishes to commend the City staff for their prompt and thorough response to the new statutory requirements. Those factors and findings, however, also support Commission initiation of a proposal to dissolve the Monte Vista Fire Protection District. Simply put, the District serves no useful purpose, other than providing a bureaucratic means for the transfer of property tax revenues to the City.

It should be stressed, though, that the staff recommendation does nothing more than initiate a proposal for future Commission consideration, and staff suggests that such a consideration should not be scheduled until the City of Upland has completed annexation proceedings for the island of territory located within that City's sphere. Once the dissolution issue is finally scheduled for hearing, the Commission will retain discretion to approve, modify, or deny the proposal based on testimony provided by the public and further comment from interested local agencies. Moreover, a protest petition signed by 10% or more of the registered voters within the District would force an election on the question.

Thus, Commission initiation of a dissolution proposal does not mean that it is a foregone conclusion. The recommended initiation simply places this issue on a future agenda for public hearing.

Accordingly, staff recommends that the Commission affirm the existing sphere of influence for the City of Montclair and adopt the findings required for a service review included within the draft resolution #2743. Staff also recommends that the sphere of influence of the Monte Vista Fire Protection District be coterminous with the Montclair sphere, and that the Commission initiate dissolution proceedings for the District. Such a review would be scheduled subsequent to the processing of an application by the City of Upland to annex a small unincorporated island which is currently within the boundaries of the District.

Attachments:

1. Response from the City of Montclair
2. Response from the Monte Vista Fire Protection District

3. Draft Resolution #2743 (City of Montclair
4. Draft Resolution #2751 (Monte Vista Fire Protection District
5. Responses from Tom Dodson and Associates